

Progress Report

MONTANA FORESTS IN FOCUS

State Engagement in Federal Land Management



Figure 1: The left photo shows overstocked conditions on national forest lands in the Wildland Urban Interface in Sanders County within the Little Eddy Farm Bill Project boundary. The right photo shows conditions on treated private land adjacent to the Little Eddy project. This project on the Lolo NF is receiving state funding to improve stand resiliency which will have cross boundary benefits.

Federal lands in Montana make up over half of our state's forested landscape. What happens on these lands impacts all landowners. It is therefore imperative that local, state and federal agencies work together to support sustainable forest management statewide to retain all the benefits these lands provide.

Through the Forests in Focus Initiative, the state of Montana is employing a variety of approaches to promote sustainable forest management on all lands, with key strategies targeted to accelerate forest restoration on national forests in Montana.

"Forests In Focus funding to the Custer Gallatin Working Group has been critical in allowing us to directly engage in the North Hebgen Project, leading to better project outcomes. The state Forests In Focus investments and collaborative support helped to leverage an additional \$250,000 of federal funding."

-John Prinkki, Carbon County Commissioner

Accomplishments at a Glance

- Accelerated planning and implementation of 25 USFS projects
- Invested state funds in USFS projects in 14 counties
- Paid Montana contractors to complete watershed/infrastructure improvements
- Accelerated NEPA Decisions by 1-2 years
- Increased acreage treated on USFS lands
- Provided technical assistance and advice to counties across the state
- Developed a local government federal forest management Tool Kit
- Held 1st Montana Counties Forest Summit
- Implemented first Stewardship Contract and GNA Project on Forest Service lands.

2014 Farm Bill: Priority Landscapes and Authorities

The 2014 Farm Bill provided an opportunity for the Governors of every state with national forest system lands within their borders to recommend priority areas for treatment due to threats from forest insects and disease. Governor Bullock's nomination resulted in the designation of 5 million acres and includes lands in every national forest in Montana.

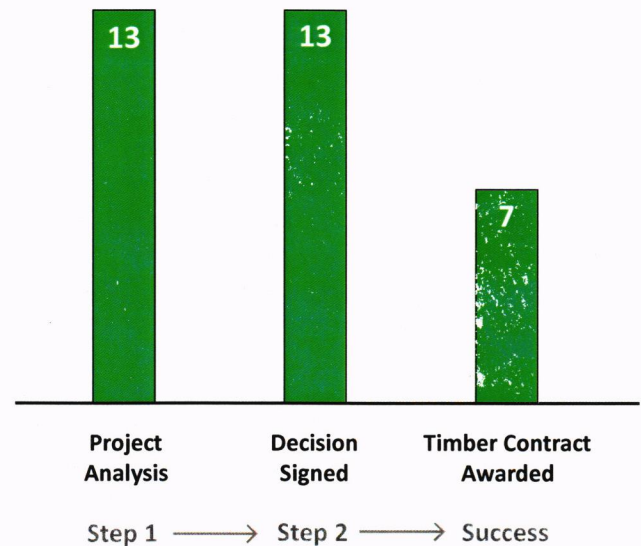
Projects in these priority landscapes can be completed using a new categorical exclusion (CE) or a focused Environmental Assessment (EA) or Environmental Impact Statement (EIS) to expedite project efficiencies and effectiveness. The new authorities require collaborative engagement by interested stakeholders with diverse interests. The state of Montana is working alongside the Northern Region of the Forest Service to increase restoration outcomes and ensure successful implementation of projects in the Farm Bill priority landscape area.



Figure 2: Culvert installation along a haul route for the Firecracker Annie project in Mineral County. The road work was awarded to two local contractors using Forests In Focus grant funds

- » The state's interest and involvement has encouraged the Northern Region to accelerate implementation of Farm Bill projects.
- » Region 1 is leading the nation in using these authorities in new forest management projects.
- » Over 50 projects using the new authorities are planned or underway in the Farm Bill priority landscape in Montana; more than half of these will use Farm Bill authorities.
- » A new Farm Bill Strike Team was created to accelerate project planning and implementation.

Federal Forests In Focus Project Status



Forests in Focus Investments in USFS Projects

Under authority granted by the Legislature, Governor Bullock has made two million dollars available from the state fire suppression account to engage directly with the Forest Service on projects. The State of Montana is investing in 25 Forest Service projects across the state, benefiting each National Forest and 14 counties. These projects are bolstering restoration outcomes on over 200,000 acres of forested land, improving recreational opportunities, providing approximately 161 million board feet of timber to Montana's mills and necessary goods and services to support resource dependent communities.

- » All of the 25 projects receiving funding are within or immediately adjacent to the Farm Bill priority landscape designations.
- » Fourteen of the projects are using Farm Bill Authority; Seven of them will use the Insect and Disease Categorical Exclusion (Farm Bill CE).
- » As of January 2017, thirteen of the projects have decisions signed and seven timber contracts are being awarded to Montana businesses.

Local Government and Collaborative Engagement

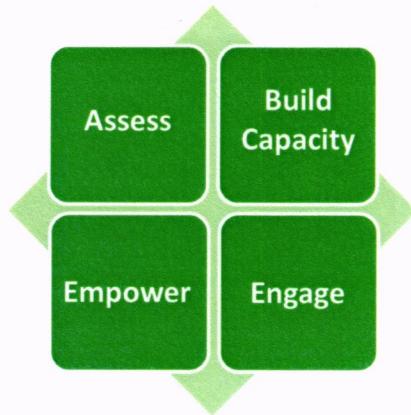
The DNRC is working with local government officials to help them more effectively engage with the Forest Service on federal forest management issues that affect their cities, towns and counties. Insects, disease and heavy fuels on federal lands adjacent to communities are very real risks for local governments, volunteer fire fighters and local communities. Continued Payment in Lieu of Taxes (PILT) funding and economic value of forest industry are also objectives of this effort.

"The Local Government Forest Advisor from the DNRC has helped us initiate a project with the Forest Service that will result in significantly reducing the fuels south of Thompson Falls."

- Carol Brooker, Sanders County Commissioner

Engagement Strategies

- **Assessing current county capacity** around federal engagement;
- **Building capacity** through tool kits, training sessions, technical assistance;
- **Empowering with tools** such as, Farm Bill Priority Landscapes and FIF funding opportunities;
- **Engaging with MACo and the Montana Forested Counties Coalition** to promote proactive federal forest management. Encourage active participation in project design, implementation, legal challenges and implementation.



Montana Counties Forest Summit

In October of 2016, 30 county commissioners from 20 different counties along with USFS personnel from the National Forests in Montana participated in the first Montana Counties Forest Summit. The Summit offered a venue for shared learning, partnership development and discussion of PILT, collaboration, litigation and Forest Service budgets.



Chair Chilcott, Vice Chair Peck, and Past Chair Brooker of the Montana Coalition of Forest Counties lead a panel discussion on PILT and federal forest management.

Commissioners and Forest Service personnel engaged in policy and forestry discussions, shared examples of successful and unsuccessful county engagement in federal land management, and discussed how counties and the Forest Service can communicate better to get more work done on the ground.

Communication is essential in building relationships and trust leading to more on the ground work. This workshop will be an biannual event to continue this progress.

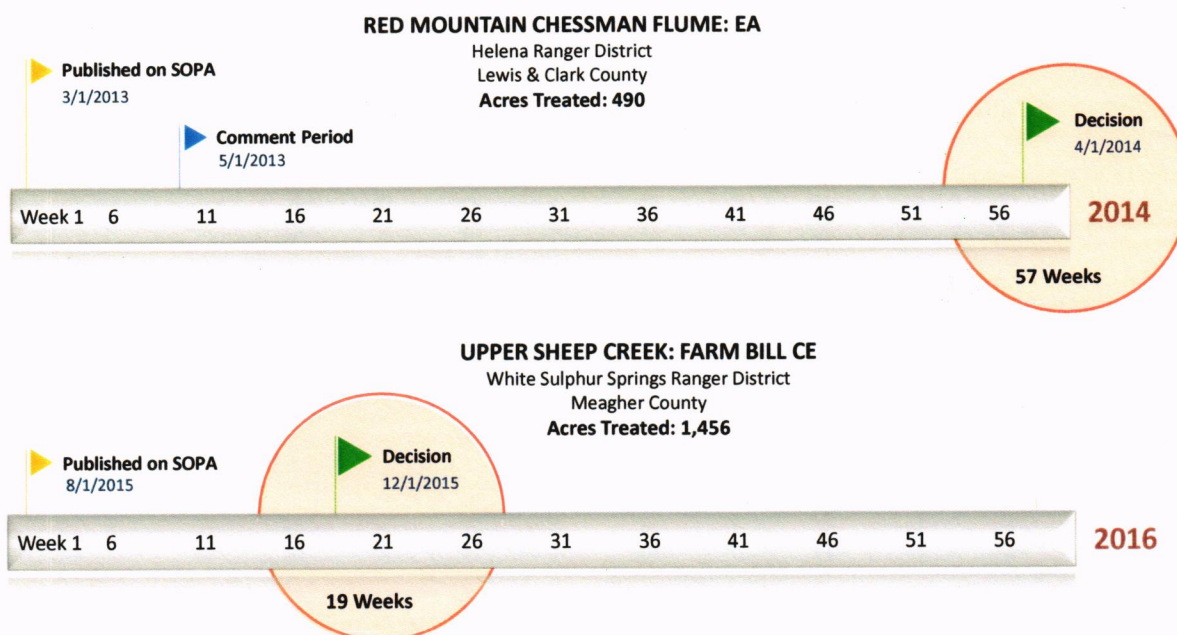
"The Forest Summit was a valuable learning opportunity for members of the Montana Coalition of Forest Counties. The presentations and discussions provided participants tools to be more effective in working with our local Forest Service personnel to identify and meet community needs and expectations."

- Greg Chilcott, Ravalli County Commissioner & Chairman of the Coalition of Forest Counties

The DNRC will continue to work with citizens across Montana to expand meaningful engagement on federal forest management decisions.

Forests In Focus Funding: Effectiveness Comparison

Using a Farm Bill CE for Upper Sheep as compared to the traditional EA used in Red Mountain, the Forest Service produced a Decision with triple the acreage in one-third of the time.



CASE STUDY: Upper Sheep Creek Farm Bill Project

Forest: Helena and Lewis & Clark National Forest

District: White Sulphur Springs Ranger District

County: Meagher

NEPA Tool Used: Farm Bill/Insect & Disease Categorical Exclusion

Timeline from Initiation to Decision: 8 months

Acres Treated: 1,456

FIF Funding: \$75,000

Contract Awarded: R-Y Timber

State Funding Impact: state dollars allowed the district to triple their field capacity, resulting in a Decision with three times the acres to be treated.

Highlights: The Upper Sheep Creek project is in the process of implementing a range of management activities to maintain a forest system that has been adversely affected by insect and disease. The project addresses forest conditions that pose a higher risk for severe wildfire along the U.S. Highway 89 corridor and around homes in the wildland urban interface. Additionally, the activities are promoting whitebark pine regeneration, protecting older, large trees and thinning several previously harvested units to improve growth and resiliency of younger forest stands.

Because additional funding was made available through the Forests in Focus initiative, the Forest Service was able to hire an additional four biological science technician temporary employees to conduct lynx habitat and old growth surveys. This additional workforce capacity and data collection allowed the project to treat triple the acres and produce more forest products.



A Montana Conservation Corps intern learns to age a tree to complete old growth surveys in the project area.

Partnership Approach to On-the-Ground Project Implementation

Phase 1: Stewardship Authority

In an effort to share resources and partner with the Forest Service on projects of mutual benefit, the Montana DNRC entered into a pilot project under a Stewardship agreement in the 490-acre Red Mountain Flume Chessman Reservoir Project in the Tenmile watershed near Helena. This project includes fuels reduction and forest restoration work aimed at protecting Helena's municipal water supply.

The DNRC administered the contract for harvest and forest work being conducted by Montana businesses. To date, 98% of mechanical and hand treatment has been completed and over 4.2 million board feet of timber has been delivered to R-Y Timber and Marks-Miller Post and Pole.

This project was the first agreement of its kind in the nation, and will ensure a clean and safe water supply for the residents of Helena.



Figure 3: The Chessman Reservoir of the Helena Municipal Water System.

Forests in Focus Economic Contribution

Investments in the 25 USFS projects are helping sustain **3,000 jobs** (direct, indirect & induced), produce **161 million** board feet of timber, and **60 million** dollars in state and federal taxes.

Our partnership with Governor Bullock and the state DNRC is foundational to our success in Montana. The Forests in Focus Initiative has made a significant contribution to our ability to deliver the goods, services, and experiences that the public and communities expect from their public lands.

- Christine Dawe, US Forest Service

Phase 2: Good Neighbor Authority

The 2014 Farm Bill and the Consolidated Appropriations Act of 2014 provide the authority for the Forest Service to enter into sole source contracts and Good Neighbor Authority (GNA) Agreements with state agencies to accomplish restoration service activities on and off federal lands. GNA is providing a new, flexible management tool to enable Montana and federal partners to collaborate more closely in carrying out critical forest, rangeland, and watershed restoration activities, as well as fuels reduction projects across boundaries.

- » The first Good Neighbor Project in Montana was completed in Jumping Creek Campground in July of 2016. The state's resources accelerated the campground opening, leveraged funds, and produced forest products for three MT businesses.
- » Two GNA projects are moving forward on USFS lands in the Pintler and Superior Ranger Districts.



Figure 4: Slash removal at the Jumping Creek Campground, Meagher County conducted by John Jump Trucking out of Kalispell, Montana.

If program staff and funding are reauthorized by the 2017 Legislature, the DNRC will continue to work with local government, collaborative groups and the Forest Service to increase the number of acres treated on the National Forests.

The Forests in Focus program has been very helpful to our business. Having sales purchased ahead of when we need them is very beneficial to the mill. It allows us to be flexible and efficient with our log inventory. The two FIF sales we purchased are playing a crucial role in our future.

- Angelo Ververis- Resource Manager,
Tricon Timber, LLC

FIF 2015-16 Federal Projects

- Contract Awarded
- Decision Signed
- In NEPA Planning
- Farm Bill Priority Landscape Designations

Map of Montana showing county boundaries and names. Green shaded areas represent Farm Bill Priority Landscape Designations. Various project locations are marked with colored dots: red for 'Contract Awarded', blue for 'Decision Signed', and yellow for 'In NEPA Planning'. Projects include Gateway, Elk Rice, Kootenai National Forest Young Growth, Lincoln Flower, Taylor Hellroaring, Whitefish Municipal Watershed, Flathead, Lost Beetle, Kalispell, Weed Lake, Little Eddy, Fire Cracker Annie, Murphy Creek, Cedar Thom/West Trout Sale, Marshall Woods, Missoula, Westside Collaborative, Pintler Face, Boulder Lowlands, Telegraph Vegetation, Upper Ten Mile, Helena, Moose Creek, Showdown Vegetation, Jumping Creek Campground, Upper Sheep Creek, The Greenhorn, North Hebgem, and Greater Red Lodge. A legend at the bottom left explains the symbols. A scale bar and north arrow are at the bottom right.

Brian Collins, Liz Hertz

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or Matt Arno, Local Government Forest Advisor at (406) 542.4239 or mattarno@mt.gov



FORESTS IN FOCUS PROJECTS TO DATE

<u>PROJECT NAME</u>	<u>GRANT</u> <u>AWARDED</u>	<u>MIN.</u> <u>MATCH</u>	<u>MATCH</u> <u>AMOUNT</u>	<u>TOTAL</u> <u>ACRES</u>	<u>GRANT</u> <u>COST/ACRE</u>	<u>COUNTY</u>	<u>SAWLOG</u> <u>MBF</u>	<u>PULP</u> <u>TONS</u>
FORESTS IN FOCUS 2014								
WEST SIDE								
Great Northern Land Services	\$ 148,407.00	25%	\$ 113,105.00	121	\$ 1,229.55	Flathead	300	2,500
LTL Forestry	\$ 8,000.00	25%	\$ 2,667.00	16	\$ 500.00	Flathead	360	2,200
Blackfoot Challenge	\$ 140,925.00	25%	\$ 144,750.00	450	\$ 313.17	Powell	175	2,459
Dennison Logging	\$ 245,000.00	25%	\$ 93,040.00	408	\$ 600.49	Lake	600	2,500
Lubrecht State Forest	\$ 200,000.00	25%	\$ 111,889.00	462	\$ 432.90	Missoula	1,162	13,860
Sun Mountain Lumber	\$ 200,000.00	25%	\$ 55,485.00	470	\$ 425.53	Powell	1,550	4,042
Stillwater Logging	\$ 40,570.00	25%	\$ 13,525.00	63	\$ 643.97	Flathead	99	220
MT DNRC Stillwater S.F.	\$ 49,000.00	25%	\$ 48,890.00	80	\$ 612.50	Flathead	95	150
SUB-TOTAL	\$ 1,031,902.00		\$ 583,351.00	2,070	\$ 498.58		4,341	27,931
FORESTS IN FOCUS 2016								
EAST SIDE								
Ella Cattle Ranch	\$ 36,550.00	25%	\$ 12,185.00	62	\$ 585.74	Powder River	190	0
Tom & Suzanne Trusler	\$ 150,000.00	25%	\$ 50,000.00	188	\$ 797.87	Powder River	567	0
Northern Cheyenne Tribe	\$ 222,886.00	25%	\$ 74,296.00	590	\$ 377.77	Big Horn	520	0
B & M Trucking	\$ 198,800.00	25%	\$ 50,125.00	555	\$ 358.20	Big Horn	500	0
Rosebud Conservation District	\$ 195,263.00	25%	\$ 71,786.73	626	\$ 311.92	Rosebud, Custer	100	0
Beartooth RC&D-Carbon Co.	\$ 129,039.00	25%	\$ 43,335.00	110	\$ 1,173.08	Carbon	0	0
Beartooth RC&D-Stillwater Co.	\$ 35,560.00	25%	\$ 11,855.00	20	\$ 1,778.00	Stillwater	0	0
SUB-TOTAL	\$ 968,098.00		\$ 313,582.73	2,151	\$ 449.99		1,877	-
FORESTS IN FOCUS 2017								
Prairie Logging	\$ 210,426.00	0%	\$ 146,574.00	510	\$ 412.60	Fergus	1,083	10,200
Morgan Skinner	\$ 163,052.00	0%	\$ 82,142.00	145	\$ 1,124.50	Lake	350	2,496
Pyramid Mountain Lumber	\$ 249,626.00	0%	\$ 10,000.00	386	\$ 646.70	Fergus	2,838	2,402
Stoltze Land & Lumber	\$ 198,129.48	0%	\$ 12,500.00	233	\$ 849.61	Flathead	744	2,568
Tricon Timber	\$ 371,797.31	0%	\$ 28,562.00	419	\$ 887.34	Missoula, Lewis & Clark Powell,	2,652	2,481
Blackfoot Challenge	\$ 173,585.00	0%	\$ 26,500.00	413	\$ 420.30	Missoula	909	4,158
DS Jr. Trucking	\$ 319,876.96	0%	\$ 13,000.00	377	\$ 848.48	Sweet Grass	2,100	280
Great Northern Land Services	\$ 50,275.00	0%	\$ 76,650.00	53	\$ 948.58	Flathead	36	580
Dennison Logging	\$ 91,200.00	0%	\$ 38,000.00	152	\$ 600.00	Lake	337	443
Timber Trail & Spur Contractors	\$ 171,779.00	0%	\$ 92,500.00	251	\$ 684.38	Missoula	186	903
SUB-TOTAL	\$ 1,999,746.75		\$ 526,428.00	2,939	\$ 680.37		11,235	26,511
FORESTS IN FOCUS 2017								
Timber Trail & Spur Contractors	\$ 249,534.00	15%	\$ 124,470.00	321.0	\$ 777.36	Missoula	201	1,962
Ella Cattle Ranch	\$ 28,050.00	15%	\$ 5,835.00	51.0	\$ 550.00	Powder River	50	0
Lewis Ranch, Inc	\$ 154,000.00	15%	\$ 85,850.00	248.0	\$ 620.97	Fergus	1,100	0
Two Creeks Ranch	\$ 179,616.00	15%	\$ 98,893.00	240.0	\$ 748.40	Powell	600	4,250
Kanduch Logging	\$ 145,000.00	15%	\$ 43,704.00	307.0	\$ 472.31	Granite	171	1,225
Sieben Ranch	\$ 64,904.00	15%	\$ 23,464.00	112.0	\$ 579.50	Lewis & Clark	224	0
Miller Trucking	\$ 250,000.00	15%	\$ 94,170.00	500.0	\$ 500.00	Wheatland	450	7,000
U of M - College of Forestry	\$ 128,896.00	15%	\$ 47,780.00	210.0	\$ 613.79	Powell	350	1,365
Sun Mountain Lumber	\$ 250,000.00	15%	\$ 183,866.00	458.0	\$ 545.85	Lewis & Clark	1,334	1,000
Rosebud Conservation District	\$ 50,000.00	15%	\$ 10,000.00	111.0	\$ 450.45	Powder River	50	0
SUB-TOTAL	\$ 1,500,000.00		\$ 718,032.00	2,558	\$ 586.40		4,530	16,802
GRAND TOTALS	\$ 5,499,746.75		\$ 2,141,393.73	9,718	\$ 565.92		21,983	71,244

NOTE: FIF-15 is 25% of the grant amount; FIF-17 is 15% of the gross project cost.